

# **House of Representatives**

## File No. 684

### General Assembly

January Session, 2021

(Reprint of File No. 26)

House Bill No. 6380 As Amended by House Amendment Schedule "A"

Approved by the Legislative Commissioner May 13, 2021

# AN ACT CONCERNING THE DISCLOSURE OF SALARY RANGE FOR A VACANT POSITION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Section 31-40z of the general statutes is repealed and the
- 2 following is substituted in lieu thereof (*Effective October 1, 2021*):
- 3 (a) As used in this section:
- 4 (1) "Employer" means any individual, corporation, limited liability
- 5 company, firm, partnership, voluntary association, joint stock
- 6 association, the state and any political subdivision thereof and any
- 7 public corporation within the state using the services of one or more
- 8 employees for pay;
- 9 (2) "Employee" means any individual employed or permitted to work
- 10 by an employer; [and]
- 11 (3) "Wages" means compensation for labor or services rendered by an
- 12 employee, whether the amount is determined on a time, task, piece,
- commission or other basis of calculation; [.] and

14 (4) "Wage range" means the range of wages an employer anticipates

- 15 relying on when setting wages for a position, and may include reference
- 16 to any applicable pay scale, previously determined range of wages for
- 17 the position, actual range of wages for those employees currently
- 18 holding comparable positions or the employer's budgeted amount for
- 19 the position.
- 20 (b) No employer shall:
- 21 (1) Prohibit an employee from disclosing or discussing the amount of
- 22 his or her wages or the wages of another employee of such employer
- 23 that have been disclosed voluntarily by such other employee;
- 24 (2) Prohibit an employee from inquiring about the wages of another
- 25 employee of such employer;
- 26 (3) Require an employee to sign a waiver or other document that
- 27 denies the employee his or her right to disclose or discuss the amount
- of his or her wages or the wages of another employee of such employer
- 29 that have been disclosed voluntarily by such other employee;
- 30 (4) Require an employee to sign a waiver or other document that
- 31 denies the employee his or her right to inquire about the wages of
- 32 another employee of such employer;
- 33 (5) Inquire or direct a third party to inquire about a prospective
- 34 employee's wage and salary history unless a prospective employee has
- 35 voluntarily disclosed such information, except that this subdivision
- 36 shall not apply to any actions taken by an employer, employment
- 37 agency or employee or agent thereof pursuant to any federal or state law
- 38 that specifically authorizes the disclosure or verification of salary
- 39 history for employment purposes. Nothing in this section shall prohibit
- 40 an employer from inquiring about other elements of a prospective
- 41 employee's compensation structure, as long as such employer does not
- 42 inquire about the value of the elements of such compensation structure;
- 43 (6) Discharge, discipline, discriminate against, retaliate against or

44 otherwise penalize any employee who discloses or discusses the

- amount of his or her wages or the wages of another employee of such
- 46 employer that have been disclosed voluntarily by such other employee;
- 47 [or]
- 48 (7) Discharge, discipline, discriminate against, retaliate against or 49 otherwise penalize any employee who inquires about the wages of
- another employee of such employer; [.]
- 51 (8) Fail or refuse to provide an applicant for employment the wage
- 52 range for a position for which the applicant is applying, upon the
- earliest of (A) the applicant's request, or (B) prior to or at the time the
- 54 <u>applicant is made an offer of compensation; or</u>
- 55 (9) Fail or refuse to provide an employee the wage range for the
- 56 employee's position upon (A) the hiring of the employee, (B) a change
- 57 in the employee's position with the employer, or (C) the employee's first
- 58 <u>request for a wage range.</u>
- (c) Nothing in this section shall be construed to require any employeror employee to disclose the amount of wages paid to any employee.
- (d) An action to redress a violation of subsection (b) of this section
- 62 may be maintained in any court of competent jurisdiction by any one or
- 63 more employees or prospective employees. An employer who violates
- 64 subsection (b) of this section may be found liable for compensatory
- damages, attorney's fees and costs, punitive damages and such legal and
- 66 equitable relief as the court deems just and proper.
- (e) No action shall be brought for any violation of subsection (b) of
- 68 this section except within two years after such violation.
- 69 Sec. 2. Section 31-75 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective October 1, 2021*):
- 71 (a) No employer shall discriminate in the amount of compensation
- 72 paid to any employee on the basis of sex. Any difference in pay based
- on sex shall be deemed a discrimination within the meaning of this

74 section.

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(b) If an employee can demonstrate that his or her employer discriminates on the basis of sex by paying wages to employees at the employer's business at a rate less than the rate at which the employer pays wages to employees of the opposite sex at such business for [equal] <u>comparable</u> work on a job, [the performance of which requires equal] when viewed as a composite of skill, effort and responsibility [,] and [which are] performed under similar working conditions, such employer must demonstrate that such differential in pay is made pursuant to (1) a seniority system; (2) a merit system; (3) a system which measures earnings by quantity or quality of production; or (4) a differential system based upon a bona fide factor other than sex, [such as] including, but not limited to, education, training, credential, skill, geographic location or experience. Said bona fide factor defense shall apply only if the employer demonstrates that such factor (A) is not based upon or derived from a sex-based differential in compensation, and (B) is job-related and consistent with business necessity. Such defense shall not exist where the employee demonstrates that an alternative employment practice exists that would serve the same business purpose without producing such differential and that the employer has refused to adopt such alternative practice.

(c) No employer shall discharge, expel or otherwise discriminate against any person because such person has opposed any discriminatory compensation practice or because such person has filed a complaint or testified or assisted in any proceeding pursuant to section 31-76.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2021	31-40z
Sec. 2	October 1, 2021	31-75

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

#### **OFA Fiscal Note**

State Impact: None

**Municipal Impact:** None

#### **Explanation**

The bill, which establishes requirements for employers to provide wage ranges for certain positions and adjusts the standard for determining gender wage discrimination, does not result in any fiscal impact to the state or municipalities.

House "A" specifies when employers must provide employees a wage range and expands the list of examples of bona fide factors for wage differences, which does not result in any fiscal impact to the state or municipalities.

#### The Out Years

**State Impact:** None

Municipal Impact: None

#### **OLR Bill Analysis**

HB 6380 (as amended by House "A")\*

# AN ACT CONCERNING THE DISCLOSURE OF SALARY RANGE FOR A VACANT POSITION.

#### SUMMARY

This bill requires employers to provide job applicants and employees with the wage range of their positions. Under the bill, a "wage range" is the range of wages the employer anticipates relying on when setting wages for a position, such as an applicable pay scale; previously determined wage ranges for the position; actual wage ranges for current employees; or the employer's budgeted amount for the position.

The bill also broadens the standard used to determine whether an employer is discriminating in the amount of compensation it pays to an employee based on sex (i.e., gender wage discrimination). Generally, it requires employers to provide equal pay for comparable (rather than equal) work.

\*House Amendment "A" (1) requires employers to provide employees with their wage range when they change positions and upon their first request, rather than at least annually and upon any request, and (2) expands the list of examples of bona fide factors for wage differences to include credential, skill, and geographic location.

EFFECTIVE DATE: October 1, 2021

#### WAGE RANGE DISCLOSURE

The bill prohibits employers from failing or refusing to provide a job applicant with the wage range of the position for which the applicant is applying. The employer must provide the wage range before or when offering the applicant the job, or when the applicant requests it during the application process, whichever is earlier.

The bill also prohibits employers from failing or refusing to provide their employees with their wage ranges (1) when they are hired, (2) when their position with the employer changes, or (3) upon the employee's first request for a wage range.

The bill allows job applicants and employees to bring a lawsuit to redress violations within two years. Employers may be found liable for compensatory damages, attorney's fees and costs, punitive damages, and legal and equitable relief as the court deems just and proper.

#### GENDER WAGE DISCRIMINATION

The law prohibits employers from practicing gender wage discrimination. It requires an employee who alleges gender wage discrimination to demonstrate certain facts to show that the discrimination exists.

Under current law, the employee must demonstrate that the employer pays employees of one sex a lower wage rate than it pays to employees of the opposite sex for equal work that requires equal skill, effort, and responsibility and is performed under similar working conditions. Under the bill, the employee must instead demonstrate that the employer pays employees of one sex a lower wage for comparable work when viewed as a composite of skill, effort, and responsibility and performed under similar working conditions.

Existing law allows an employer accused of gender wage discrimination to defend itself by showing that a pay difference is based on a (1) seniority system; (2) merit system; (3) system that measures earnings by production quantity or quality; or (4) differential system based upon a bona fide factor other than sex, such as education; training; or experience. The bill specifies that these other bona fide factors may also include credential, skill, and geographic location.

As under existing law, an employee who alleges gender wage discrimination may file a complaint with the labor commissioner, or the commissioner may investigate on his own motion. If the complaint is

not investigated by the commissioner, the employee may bring an action in court (CGS  $\S$  31-76).

### **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Yea 9 Nay 4 (02/18/2021)

**Judiciary Committee** 

Joint Favorable

Yea 25 Nay 12 (04/20/2021)